

Betty purchased a home in 2000 for \$200,000. She made the following improvements to the home:

- Fencing - \$1,000
- New carpet - \$2,000
- Air-conditioning - \$1,500
- Repair of clogged sink in kitchen - \$250

Using Betty's Worksheet 1 as a reference, what is the adjusted basis of her home?

Worksheet 1. Adjusted Basis of Home Sold



Caution: See the Worksheet 1 Instructions *before* you use this worksheet.

1. Enter the purchase price of the home sold. (If you filed Form 2119 when you originally acquired that home to postpone gain on the sale of a previous home before May 7, 1997, enter the adjusted basis of the new home from that Form 2119.) 1. _____
2. Seller paid points for home bought after 1990. (See *Seller-paid points*.) Do not include any seller-paid points you already subtracted to arrive at the amount entered on line 1 2. _____
3. Subtract line 2 from line 1 3. _____
4. Settlement fees or closing costs. (See *Settlement fees or closing costs*.) If line 1 includes the adjusted basis of the new home from Form 2119, go to line 6.
 - a. Abstract and recording fees 4a. _____
 - b. Legal fees (including title search and preparing documents) 4b. _____
 - c. Surveys 4c. _____
 - d. Title insurance 4d. _____
 - e. Transfer or stamp taxes 4e. _____
 - f. Amounts that the seller owed that you agreed to pay (back taxes or interest, recording or mortgage fees, and sales commissions) 4f. _____
 - g. Other 4g. _____
5. Add lines 4a through 4g 5. _____
6. Cost of additions and improvements. Do not include any additions and improvements included on line 1 6. _____
7. Special tax assessments paid for local improvements, such as streets and sidewalks 7. _____
8. Other increases to basis 8. _____
9. Add lines 3, 5, 6, 7, and 8 9. _____
10. Depreciation, related to the business use or rental of the home, claimed (or allowable) 10. _____
11. Other decreases to basis (See *Decreases to basis*.) 11. _____
12. Add lines 10 and 11 12. _____
13. **ADJUSTED BASIS OF HOME SOLD.** Subtract line 12 from line 9. Enter here and on *Worksheet 2*, line 4 . . 13. _____